of participation and also indicating whether there is a provision for providing guarantees for loans and investments of the project; and

(c) if not, whether the Government of Sultanate of Oman will provide the sovereign guarantees on all investments and loans to be raised for the project by Indian Companies involved and also whether these companies (Indian) will have the first right on any equity sale?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS and FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) A Memorandum of Understanding was signed on 30-7-1994 in Muscat (Oman) between Government of India Krishak Bharati Cooperative Ltd. (KRIBHCO)/Rashtriya Chemicals & Fertilizers Ltd. (RCF) and Government of Sultanate of Oman/Oman Oil Company.

The MOU envisages preparation of a Detailed Feasibility Report for setting up a joint ventures fertilizer project in Oman based on the following presumptions:—

(i) Capacity of the plant . . . . . 3500 MTPD (ammonia)
4400 MTPD (urea)

(ii) Estimated cost . . . . . US $ 819 Million. In addition, the financing charges would be about US $ 78 million.

(iii) *Financing Pattern :*

Debt : Equity Ratio . . . . . 3 : 1

(iv) *Equity Participation :*

(I) KRIBHCO/RCF (including affiliates) . . . 40%—50%

(II) Oman Oil Company Ltd. (including affiliates and third party investors) . . . . . 40% –50%

(III) Omani Public . . . . . 0% –20%

There is no provision in the MOU whereby the Indian partners or the Government of India or the Government of Sultanate of Oman or the Oman Oil Company shall be obliged to provide financial or other guarantees to the lenders for supporting the project financing.

On behalf of he Government of the Sultanate of Oman, an assurance has been given that all investments by Oman Oil Company will be funded by the Government of the Sultanate of Oman.

As per the MOU, if KRIBHCO|RCF decide to transfer their shareholdings in the Joint Venture Company, except to an affiliate or the Omani public, they will give first right of purchase to the Oman Oil Company. Similarly, Oman Oil Company has to give first right of purchase to KRIBHCO|RCF except for transfer|sale of shares to an affiliate, Omani public or an ammonia buyer.

Elimination of Fertilizer Subsidy

2285. DR. MURLI MANOHAR JOSHI;

SHRI TRILOKI NATH CHATURVEDI;

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that in the Economic Memorandum submitted by Government to IMF, Government had made a commitment that subsidy on fertilizers was to be completely eliminated; if so, to what extent this has been done and by when the subsidy on each category of fertilizer is proposed to be eliminated completely;

(b) whether under the present formula of calculating retention price, the fertilizer units are underestimating their capacities to maximise their profits; if so,

what steps Government have taken in this regard; and

(c) whether the irrationality of retention price for old and new fertilizer plants has been brougnt to the notice of Government and what steps have been taken to remove the discrepancies in the determination of retention price?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) No commitment has been given to IMF regarding complete elimination of subsidy on fertilizers

(b) and (c) For fixing the retention price in respect of controlled fertilizers, the capacity of each fertilizer unit is assessed on the basis of the design capacity. Based on the production capacity so assessed, retention price is fixed for each unit taking into account the assessed level of production, feedstock used, vintage of the plant, cost of raw-material and other factors. No instance of underestimation of capacity has come to the notice of the Government.

रामागुण्डम में एफ. सी. आई का संयंत्र

2286. **श्री वी. हनुमंत राव :** क्या **रसायन और उर्वरक** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि आंध्र प्रदेश में रामागुण्डम में एफ.सी.आई. संयंत्र अपनी क्षमता से 40 प्रतिशत से कम उत्पादन कर रहा है ;

(ख) यदि हां, तो गत तीन वर्षों के दौरान एफ.सी.आई. संयंत्र के उत्पादन का ब्यौरा क्या है ;

(ग) इस संयंत्र को और उत्पादक बनाने के लिए क्या कदम उठाए जाने का प्रस्ताव है ;

(घ) क्या एफ.सी.आई. रामागुण्डम संयंत्र में और पूंजी निवेश करने का विचार रखती है; और

(ङ) यदि हां, तो इसका ब्यौरा क्या है ?

रसायन और उर्वरक मंत्रालय में राज्य मंत्री (श्री एडुआर्डो फेलेरियो) : (क) और (ख) गत तीन वर्षों के दौरान रामागुण्डम संयंत्र की क्षमता उपयोगिता निम्नानुसार थी :—

(000 मीटरी टन नाइट्रोजन)

वर्ष	स्थापित क्षमता (निर्धारित क्षमता)	वार्षिक उत्पादन	प्रतिशत क्षमता उपयोगिता
1991–92	227.7	88.3	38.8
1992–93	227.7	58.0	25.5
1993–94	227.7	88.8	39.0

(ग) से (ङ) दि फर्टिलाइजर कार्पोरेशन आफ इंडिया लि. (एफ.सी.आई.) के अद्यतन अनुमान के अनुसार, 60% क्षमता उपयोगिता प्राप्त करने के लिए रामागुण्डम एकक के पुनर्वास में पुराने दायित्वों आदि के निपटान में अन्य राहतों सहित 219 करोड़ रु० का निवेश अंतर-ग्रस्त होगा। औद्योगिक एवं वित्तीय पुनर्निर्माण बोर्ड (बी.आई.एफ.आर.) ने रुग्ण औद्योगिक कंपनियाँ विशेष उपबन्ध अधिनियम 1985 के अन्तर्गत एफ सी आई को रुग्ण कंपनी घोषित किया है। बी आई एफ आर में भारतीय औद्योगिक ऋण एवं निवेश निगम लि. (आई.सी.आई.सी.आई.) को प्रचालन अभिकरण नियुक्त किया है। बी.आई.एफ.आर. ने प्रचालन अभिकरण को 14–7–1994 को यह निदेश दिया गया है कि वह तकनीकी, वित्तीय और वाणिज्यिक रूप से व्यवहार्य दृष्टिकोण से एफ. सी.आई. के एककों के पुनर्वास हेतु सभी विकल्पों का मूल्यांकन करे और अपने प्रस्ताव 3 माह के भीतर बी.आई.एफ.आर को प्रस्तुत करे। अतः रामागुण्डम एकक सहित एफ.सी.आई. के पुनरुद्धार/पुनर्वा